

## **Background Information and Guidelines**

### **Highway Funding Under American Recovery and Reinvestment Act**

This document contains the background information on eligible projects, how to submit a project for consideration, types of projects that may be funded through the ARRA, and so on.

#### **Types of Eligible Projects**

Project eligibility is defined by Title 23 of the U. S. Code. Project types include, but are not limited to, road construction, bridge deck overlays, bridge rehabilitation and painting, as well as traffic safety improvements. Specific project eligibility requirements can be found at <http://www.in.gov/indot/2926.htm> and in Title 23 of the U. S. Code.

#### **Local Project Submission Process and Rules:**

MPOs determine the projects and projects' funding levels to be submitted to INDOT on behalf their members. In addition, MPOs will need to document how they have complied the ARRA. An example would be how they have addressed the economically distressed counties within their jurisdiction.

Complete and accurate bid packets submitted by local agencies to INDOT will be considered for ARRA funding in the order in which they are received and are determined to be eligible for funding.

Required project document elements must include plans, specifications and cost estimates for the project and all other pertinent bid package items. Any incomplete or inaccurate bid packages will be returned to the local agency where the errors may be corrected. However, if projects are re-submitted, they will go to the end of the list of projects awaiting review by INDOT.

"Speed, accuracy of projects and program completeness are of the essence in getting projects into the pipeline for review and approval," Reed stressed.

After state review, projects will be forwarded to the Federal Highway Administration to make sure they comply with Title 23 of the U. S. Code and the ARRA.

#### **Moving A Project Forward from Future Fiscal Years**

LPAs can advance a project from a future fiscal year (such as FY 2010 to be let in FY 2009) for ARRA funding. The primary advantage is that we create new jobs now, according to Reed.

The secondary advantage to that LPA is that a future project might have been set to be paid 80 percent by the federal government and 20 percent by local matching dollars in a future fiscal year. Now, with ARRA funds the project could be paid 100 percent by federal funds.

When an LPA advances a job from a future fiscal year, the LPA will be given 45 days to put a new project or projects into the future fiscal year in place of the one that was moved forward for ARRA funding. The replacement project or projects must be equal in costs to the original project, in compliance with Title 23 guidelines and be deliverable by the original project's Ready for Contract date.

Note: If the LPA cannot provide a new project with matching funds within the 45 days, the 80 percent federal funding will be reallocated to another local agency.

**Project Funding Limits:**

Each MPO will set the dollar value of projects submitted by members.

Local agencies (outside MPO jurisdiction) may be eligible for up to a maximum of \$3 million in ARRA funds per community.

All projects will be funded at the amount awarded. If there are project change orders or cost overruns, the project owner will be responsible for additional costs.

**Transportation Enhancement Projects:**

Transportation Enhancement projects include bike trails, hiking trails, etc. Local agencies should submit their project information to INDOT's district offices.

# # #